

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
Form 11-K



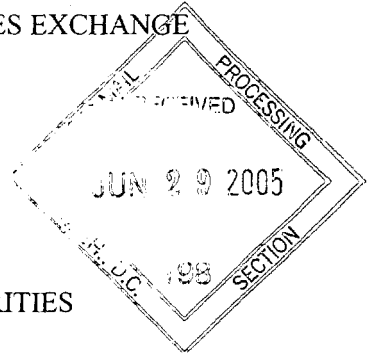
☒ ANNUAL REPORT PURSUANT TO SECTION 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2004

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_



Commission File Number 1-11037

A. Full title of the Plan and the address of the Plan, if different from that of the issuer named below:

**Praxair Healthcare Services, Inc. 401(k) Retirement Savings Plan**

B. Name of issuer of the securities held pursuant to the Plan and the address of its principal executive office:

**Praxair, Inc.  
39 Old Ridgebury Road  
Danbury, Connecticut 06810-5113**

This report consists of 14 pages.

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FINANCIAL

# **Praxair Healthcare Services, Inc. 401(k) Retirement Savings Plan**

**Financial Statements and  
Supplemental Schedule  
December 31, 2004 and 2003**

## **Praxair Healthcare Services, Inc. 401(k) Retirement Savings Plan**

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 All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.	

**Report of Independent Registered Public Accounting Firm**

To the Participants and Administrator of  
Praxair Healthcare Services, Inc. 401(k) Retirement Savings Plan

In our opinion, the accompanying statements of net assets available for benefits and the related statements of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of Praxair Healthcare Services, Inc. 401(k) Retirement Savings Plan (the "Plan") at December 31, 2004 and December 31, 2003, and the changes in net assets available for benefits for the year ended December 31, 2004 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Schedule H, line 4i - Schedule of Assets (Held at End of Year) is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*PricewaterhouseCoopers LLP*

Stamford, CT  
June 22, 2005

**Praxair Healthcare Services, Inc. 401(k) Retirement Savings Plan**  
**Statements of Net Assets Available for Benefits**  
**At December 31, 2004 and 2003**

	December 31,	
Assets:	2004	2003
Investments, at fair value (Note 4):		
Participant directed	\$ 10,884,101	\$ 7,879,750
Non-participant directed	<u>489,697</u>	<u>272,896</u>
	11,373,798	8,152,646
Loans to participants, at cost	<u>394,488</u>	<u>307,570</u>
Net assets available for benefits	\$ <u>11,768,286</u>	\$ <u>8,460,216</u>

The accompanying notes are an integral part of these financial statements.

**Praxair Healthcare Services, Inc. 401(k) Retirement Savings Plan**  
**Statement of Changes in Net Assets Available for Benefits**  
**For the Year Ended December 31, 2004**

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**Additions to net assets**

Contributions:

Participant	\$ 1,299,668
Employer	770,799
	<u>2,070,467</u>

Investment income:

Dividends	390,133
Interest	11,538
	<u>401,671</u>

Net appreciation in fair value of investments (Note 4)	614,986
Rollovers from other plans (Note 2)	374,969
Transfer from other plans, net (Note 8)	<u>585,989</u>

<b>Total additions to net assets</b>	<u>4,048,081</u>
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**Deductions from net assets**

Benefits paid to participants	726,528
Administrative expenses	<u>13,483</u>

<b>Total deductions from net assets</b>	<u>740,011</u>
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<b>Increase in net assets</b>	3,308,070
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**Net assets available for benefits**

Beginning of year	<u>8,460,216</u>
End of year	<u>\$ 11,768,286</u>

The accompanying notes are an integral part of these financial statements.

**Praxair Healthcare Services, Inc. 401(k) Retirement Savings Plan**  
**Notes to Financial Statements**  
**December 31, 2004 and 2003**

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**Note 1 - Inception of the Plan**

Interwest Home Medical, Inc., the predecessor company to Praxair Healthcare Services, Inc., established a 401(k) Retirement Savings Plan on October 1, 1985. On July 1, 2002, this plan was adopted by Praxair Healthcare Services, Inc. (the "Company") and renamed as the Praxair Healthcare Services, Inc. 401(k) Retirement Savings Plan (the "Plan").

**Note 2 - Description of the Plan**

The Plan is a tax-qualified retirement plan. The following is a general description of the Plan. Participants should refer to the Plan document for a complete description of the Plan's provisions. The following information may not apply to employees covered under bargaining unit agreements.

**General**

The Plan is a defined contribution plan and is administered by the Administration and Investment Committee for the Plan (the "Administrator"). The Board of Directors of the Company oversees the activities of the Administrator. The trustee and recordkeeper of the Plan's assets is Fidelity Management Trust Company. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

**Eligibility**

All regular employees (as defined by the Plan's provisions) of the Company are eligible to participate in the Plan.

**Contributions**

Non-highly compensated employees (as defined in the Internal Revenue Code (the "Code")) may elect to contribute from 1% to 40% of their eligible compensation (as defined in the Plan) on a before-tax or after-tax basis. Highly compensated employees (as defined in the Code) may contribute up to 25% of their eligible compensation to the Plan, of which 15% may be on a before-tax basis. In either case, an employee's before-tax contributions to the Plan are limited to the annual maximum permitted under the Code. This maximum was \$13,000 for 2004 and \$12,000 for 2003. All employees who are eligible to make elective deferrals under the Plan and who have attained age 50 before the close of the Plan year may elect to make additional "catch-up" contributions for the Plan year. For 2004, the maximum catch-up contribution amount permitted under the Code was \$3,000. Each participant directs the investment of 100% of his or her elective contributions.

The Company makes matching contributions equal to 50% of the first 4% of compensation contributed by participants. One-half of the matching contribution is made in Praxair, Inc. Common Stock. The participant directs the investment of the other half. In addition, the Company makes Profit Sharing contributions equal to 2% of eligible compensation (as defined by the Plan) to participants who have been regular employees for two years. The participant directs the investment of 100% of the Profit Sharing contribution.

**Praxair Healthcare Services, Inc. 401(k) Retirement Savings Plan**  
**Notes to Financial Statements**  
**December 31, 2004 and 2003**

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**Vesting**

Employees are at all times fully vested in their own contributions, Company contributions (other than Company matching contributions) and rollover contributions. All participants become fully vested in Company matching contributions after completing three years of service. Unvested Company matching contributions are forfeited upon employment termination. Under the Plan's provision, forfeitures are allocated to active participants on the same basis as the Company matching contribution.

**Payment of Benefits**

On termination of service, a participant may elect to receive either a lump sum amount or annual installments equal to the vested benefits in his/her account.

**Investment Options**

Each participant directs the investment of his or her funds among the following options:

- Capital Guardian Non-US Equity Fund
- Columbia Acorn Fund Class Z
- Fidelity Magellan Fund\*
- Fidelity Equity-Income Fund\*
- Spartan U.S. Equity Index Fund\*
- Fidelity Managed Income Portfolio (MIP) II Class 3 Fund\*
- GMO Emerging Country Debt Shares Class 3
- Janus Worldwide Fund
- Morgan Stanley Institutional Fund Trust (MSIFT) Core Plus Fixed Income Portfolio
- Morgan Stanley Institutional Fund Trust (MSIFT) U.S. Small Cap Core Portfolio
- Putnam Investors Class A Fund
- Vanguard LifeStrategy Income Fund
- Vanguard LifeStrategy Moderate Growth Fund
- Discounted Praxair, Inc. Common Stock Fund\* (acquired at 90% of market price)
- Praxair, Inc. Common Stock Fund\*

\*Party-in-interest

Participants are limited to one sale from the Discounted Praxair, Inc. Common Stock Fund every twelve months. Certain other restrictions apply as defined in the Plan's provisions. Participants are limited to a maximum of twelve stock sales per year of Praxair, Inc. Common Stock Fund.

Participants may change the amount or the investment direction of their contributions at any time.

On March 1, 2004, the Plan implemented an annual restriction on the number of exchanges (transfers in or out) into the Janus Worldwide Fund, the Capital Guardian Non-US Equity Fund, and the GMO Emerging Country Debt Share Fund Class 3. There is a limit of six exchanges into each fund per calendar year. No restriction on exchanges out of the funds was made.

**Praxair Healthcare Services, Inc. 401(k) Retirement Savings Plan**  
**Notes to Financial Statements**  
**December 31, 2004 and 2003**

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**Dividend Payout on Company Stock Funds**

A dividend payout feature allows participants to elect to receive any future dividends from the Praxair, Inc. Common Stock Fund and the Discounted Praxair, Inc. Common Stock Fund in cash as taxable distributions, rather than having such dividends reinvested in the Plan. In order to allow this choice, a portion of the Plan, consisting of the Praxair, Inc. Common Stock Fund, the Praxair, Inc. Company Match Common Stock Fund and the Discounted Praxair, Inc. Common Stock Fund, was designated as an Employee Stock Ownership Plan ("ESOP"). This designation as an ESOP has no other effect on benefits under the Plan.

**Withdrawals and Distributions**

Plan participants may withdraw after-tax contributions from their account balances while working and, in limited cases (as defined in the Plan's provisions), may withdraw before-tax contributions. Mandatory distributions from the Plan are required starting April 1 of the year following the later of the year in which a participant attains age 70½ or retires from service with the Company.

**Loans**

The Plan generally permits participants to borrow from their accounts a minimum of \$1,000 up to the lesser of \$50,000 or 50% of their account balances. Participants are permitted to have two loans outstanding at any time. Certain other restrictions apply, as defined in the Plan's provisions.

Loans may be repaid during fixed terms not to exceed five years (thirty years for home loans). Principal and interest is paid ratably through payroll deductions. The loans are collateralized by the balance in the participant's account and bear interest at rates set quarterly equal to 1% less than the prime rate. Rates on existing loans ranged from 3.00% to 10.00% in 2004.

**Rollovers**

Rollovers represent transfers of account balances of certain participant contributions into the Plan from other qualified plans or individual retirement accounts.

**Note 3 - Summary of Significant Accounting Policies**

**Method of Accounting**

The financial statements of the Plan are prepared under the accrual method of accounting.

**Payment of Benefits**

Benefits are recorded when paid.

**Participant's Account Activity**

Participant accounts are credited with participant contributions and contributions from the Company. Earnings are allocated to participant accounts daily based on the investments selected by the participant.

**Basis of Reporting Investments**

Plan investments are reported at market value, based upon quoted market prices or independent appraisals, except for loans to participants carried at cost, which approximates fair value. Market value represents contributions made plus earnings, less Plan withdrawals and administrative expenses. Funds are valued on a daily basis.

**Praxair Healthcare Services, Inc. 401(k) Retirement Savings Plan**  
**Notes to Financial Statements**  
**December 31, 2004 and 2003**

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**Income Recognition**

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

The Plan presents in the statement of changes in net assets available for benefits, the net appreciation (depreciation) in the fair value of its investments which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates, of which the most significant is the fair value of investments.

**Risks and Uncertainties**

The Plan provides for various investment options that invest in any combination of stocks, bonds, fixed income securities and other investment securities. These investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk and uncertainty associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits and the statement of changes in net assets available for benefits.

**Note 4 – Investments**

Individual investments held by the Plan that exceed five percent of the Plan's net assets available for benefits at December 31, 2004 and 2003, respectively, are noted below:

	2004	2003
Fidelity MIP II Class 3 Fund	\$ 2,842,102	\$ 2,147,426
MSIFT U.S. Small Cap Portfolio	\$ 1,768,444	\$ 1,495,773
Spartan US Equity Index Fund	\$ 1,259,926	\$ 867,540
MSIFT Core Plus Fixed Income Portfolio	\$ 912,421	\$ 760,461
Janus Worldwide Fund	\$ 690,059	\$ 609,176
Fidelity Magellan Fund	\$ 642,172	\$ 551,346
Vanguard LifeStrategy Moderate Growth Fund	\$ 608,042	*

\* Not Applicable

**Praxair Healthcare Services, Inc. 401(k) Retirement Savings Plan**  
**Notes to Financial Statements**  
**December 31, 2004 and 2003**

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During 2004, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value as follows:

	<b>Year Ended December 31, 2004</b>
Mutual Funds	\$ 454,172
Praxair, Inc. Common Stock	56,593
Praxair Employer Match Stock	61,111
Discounted Praxair, Inc. Common Stock Account	<u>43,110</u>
	\$ <u>614,986</u>

**Note 5 – Non-participant Directed Investments**

Information about the net assets and the significant components of the changes in net assets relating to the nonparticipant directed investments is as follows:

	<b>December 31, 2004</b>	<b>2003</b>
Net assets:		
Praxair Employer Match Stock Fund	\$489,697	\$272,896

	<b>Year ended December 31, 2004</b>
Changes in net assets:	
Contributions	\$177,239
Dividends	5,597
Net appreciation	61,111
Benefit payments	(36,694)
Administrative fees	(815)
Transfers from other plans	10,408
Transfers to participant-directed investments*	(45)
	<u>\$216,801</u>

\* Refer to Participant and Praxair Contributions in Note 2.

**Praxair Healthcare Services, Inc. 401(k) Retirement Savings Plan**  
**Notes to Financial Statements**  
**December 31, 2004 and 2003**

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**Note 6 - Tax Status**

The Internal Revenue Service has determined and informed the Company by a letter dated January 12, 2004, that the Plan and related trust are designed in accordance with applicable sections of the Code. The Plan for which this determination related has been amended. However, the Plan Administrator and the Plan's external counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Code.

**Note 7 - Plan Expenses**

It is intended that Plan participants pay all Plan expenses, including investment management fees, record-keeping fees, trust fees and other administrative expenses. Investment management fees are reflected in the calculation of the unit price for each investment fund. Loan fees are deducted from loan proceeds. Other fees and expenses are deducted monthly from participant's accounts at a rate determined by the Administrator. To the extent deductions from participant accounts were insufficient to cover the total cost of the Plan in 2004, the difference was paid by the Company. Amounts paid by the Company for Plan expenses during the year were immaterial.

**Note 8 - Transfers of Participants**

Participant investment balances are reflected by the recordkeeper, Fidelity, as of the closing date per the financial statements. Participants who transfer between companies during the plan year have their respective balances reflected in the plan of the company of which they are a part of at year-end.

**Note 9 - Related-Party Transactions**

Certain Plan investments are shares of mutual funds managed by Fidelity Investments. Fidelity Investments is the trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions.

**Note 10 - Plan Termination**

Although it has not expressed any intent to do so, the Company has the right under the Plan's provisions to terminate the Plan at its sole discretion. Upon such termination, the net assets of the Plan will be distributed or sold exclusively for the benefit of the participants (or their beneficiaries).

**Note 11 - Subsequent Event**

Effective July 1, 2005, the participant balances from the Home Care Supply, Inc. 401(k) Plan will be transferred into the Plan through a trust-to-trust transfer. Assets to be transferred will total approximately \$6 to \$7 million. Home Care Supply, Inc. was acquired by Praxair Healthcare Services, Inc. on June 15, 2004. Employees of Home Care Supply, Inc. will also become employees of Praxair Health Services, Inc effective July 1, 2005.

**Praxair Healthcare Services, Inc. 401(k) Retirement Savings Plan**  
**Schedule H, line 4i – Schedule of Assets**  
**(Held at End of Year)**

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current Value
Fidelity Management				
*	Trust Company	Fidelity MIP II Class 3 Fund	**	\$ 2,842,102
		MSIFT U.S. Small Cap Core Portfolio	**	1,768,444
		Spartan US Equity Index Fund	**	1,259,926
		MSIFT Core Plus Fixed Income Portfolio	**	912,421
		Janus Worldwide Fund	**	690,059
		Fidelity Magellan Fund	**	642,172
		Vanguard LifeStrategy Moderate Growth Fund	**	608,042
		Praxair, Inc. Employer Match Common Stock***	\$372,182	489,697
		Putnam Investor Class A Fund	**	474,701
		Praxair, Inc. Common Stock Fund Fund	**	456,028
		Fidelity Equity Income Fund	**	314,568
		Columbia Acorn Z	**	294,645
		Discounted Praxair, Inc. Common Stock Fund	**	285,268
		Vanguard LifeStrategy Income Fund	**	213,376
		GMO Emerging Country Debt	**	95,089
		Capital Guard Non-US Equity	**	22,972
		Fidelity Cash Reserve***	**	4,276
		Fidelity Retirement Money Market***	**	12
*	Various Participants	Participant Loans - 3.00% to 10.00%	**	394,488
		Total assets held for investment purposes		<u>\$ 11,768,286</u>

\* Party-in-interest

\*\* Cost information is not required for participant directed investments and, therefore, is not included

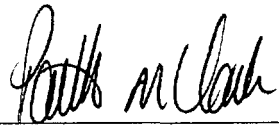
\*\*\*Fund is not an investment option (Note 4)

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the Administrator of the Plan has duly caused this annual report to be signed on its behalf by the undersigned thereunto duly authorized.

**Praxair Healthcare Services, Inc. 401(k) Retirement Savings Plan**

Date: June 22, 2005

By:   
Patrick M. Clark  
Vice President and Controller  
Praxair, Inc.  
(On behalf of the Plan)

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (Nos. 33-87274, 33-48478 and 333-81248) of Praxair, Inc. of our report dated June 22, 2005 relating to the financial statements of Praxair Healthcare Services, Inc. 401(k) Retirement Savings Plan, which appears in this Form 11-K.

*Pricewaterhousecoopers LLP*

June 22, 2005